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Report of the Secretary-General on the Peacebuilding Fund

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The Peacebuilding Fund

Report of the Secretary-General

Summary

The present report is submitted pursuant to General Assembly resolution 63/282 and covers the activities of the Peacebuilding Fund from 1 July 2008 to 30 June 2009. As at 30 June 2009, the Fund's portfolio stood at $312.9 million, with deposits totalling $309.6 million having been received from a broad base of 45 donors. The Fund is currently active in 12 countries, directly contributing to building the foundations for peace in countries emerging from conflict or helping post-conflict countries to prevent a relapse into conflict.

Recent evaluations and performance reports submitted by recipient organizations confirm that early notable results have been achieved during the Fund's initial two years and that the Fund has the potential to fill a unique peacebuilding niche. The evaluations also identified a number of management and operational challenges: those are being addressed in part through a revision of the Fund's terms of reference and in part through management improvements instituted by the Peacebuilding Support Office. The revised terms of reference were endorsed by the General Assembly on 17 June 2009, and give impetus for a broad revision of the Fund's operational and procedural guidelines.

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I. Introduction

1. The present report is submitted pursuant to General Assembly resolution 63/282, in which the Assembly requested the Secretary-General to submit an annual report on the operation and activities of the Peacebuilding Fund. The report covers the period from 1 July 2008 to 30 June 2009, and reflects the highlights of the consolidated annual progress report prepared by the Fund's administrative agent, the Multi-donor Trust Fund Office of the United Nations Development Programme (UNDP). It offers insights into the administration and use of the Fund and gives an overview of the scope of activities and key results to date. Efforts to identify ways to improve the efficiency and effectiveness of the Fund are described along with emerging lessons and recommendations.

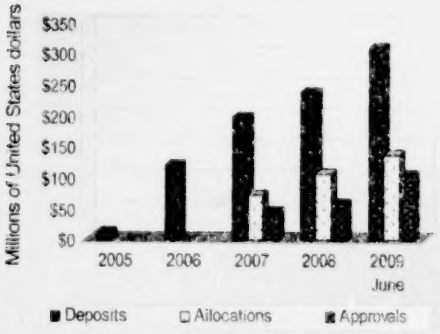
2. The report is informed by evaluations and reviews, in particular by the findings and recommendations of an independent evaluation undertaken by the Office of Internal Oversight Services (OIOS) during the second half of 2008, which highlighted both the successes and the challenges of implementing the Fund. In that connection, the report outlines how the Peacebuilding Support Office has been addressing the emerging challenges through its management response to the evaluation, working in close collaboration with other United Nations partners and stakeholders.

II. Administration and use of the Fund

A. Deposits, allocations, approvals and utilization

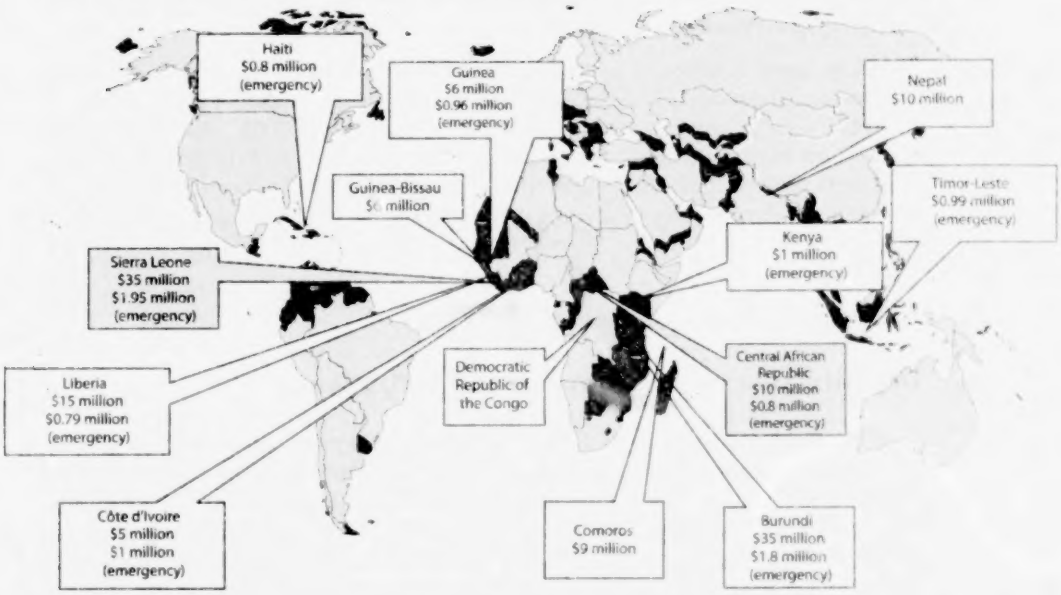
3. The financial situation of the Peacebuilding Fund from its inception to 30 June 2009 reflects robust growth (see figure I). At 30 June 2009, the Fund's portfolio stood at $312.9 million (up $44 million from June 2008), with deposits of $309.6 million (an increase of $71 million from June 2008). With 45 donors, the Fund enjoys one of the broadest donor bases of any multi-donor trust fund administered by the United Nations (see annex I). Eighteen countries had contributed more than once to the Fund, reflecting continued donor commitment to supporting the Fund and its objectives. The 10 largest contributors were Sweden, the United Kingdom of Great Britain and Northern Ireland, Norway, the Netherlands, Japan, Canada, Ireland, Spain, Germany and Denmark.

Figure I
Peacebuilding Fund portfolio growth: cumulative deposits, allocations and approvals, 2005-June 2009



4. Of the Fund's programmable funds (i.e., those received in the trust fund account) of $309.6 million, a total of $141.3 million had been allocated to support peacebuilding activities in 12 countries, four of which were countries on the agenda of the Peacebuilding Commission (see figure II). Five countries not on the Commission's agenda had been declared eligible for Fund support by the Secretary-General and had received such support. Nine country situations drew on emergency funding under the Fund, some also receiving support under priority plan funding.

Figure II
Peacebuilding Fund: geographical distribution of countries receiving support



Note: Shaded countries are those on the agenda of the Peacebuilding Commission.

5. The certified financial report of the UNDP Multi-donor Trust Fund Office for 2008 indicates that the funds transferred to recipient organizations totalled $87.7 million at 31 December 2008; by June 2009, that amount had increased to $115 million. In comparison with 2007, the number of participating United Nations organizations at the end of 2008 had increased from 6 to 11. The table below shows the distribution of funds allocated and transferred as at 31 December 2008. UNDP was the recipient organization having received the largest allocation ($67.3 million, or 77 per cent of the total funding available).

Peacebuilding Fund: project fund flows by recipient organization and implementation rate by country at 31 December 2008

(Thousands of United States dollars)

A. Project fund flows by recipient organization

	Number of projects	*Fund flows*	
		Transfers	*Expenditure*
International Organization for Migration (IOM)	2	4 611	1 249
Office of the United Nations High Commissioner for Human Rights (OHCHR)	1	400	77
United Nations Development Programme (UNDP)	38	67 257	38 767
United Nations Educational, Scientific and Cultural Organization (UNESCO)	1	900	—
United Nations Population Fund (UNFPA)	1	4 200	2 574
Office of the United Nations High Commissioner for Refugees (UNHCR)	3	2 800	941
United Nations Children's Fund (UNICEF)	1	189	30
United Nations Development Fund for Women (UNIFEM)	2	3 718	2 484
United Nations Office on Drugs and Crime (UNODC)	1	900	113
United Nations Office for Project Services (UNOPS)	2	2 694	870
Total	**52**	**87 669**	**47 105**

B. Implementation (delivery) rate by country

	Implementation rate (percentage)
1. Countries on Peacebuilding Commission agenda	
Burundi	64
Guinea-Bissau	39
Sierra Leone	53
Central African Republic	—
Average	57
2. Countries not on Peacebuilding Commission agenda	
Côte d'Ivoire	61
Liberia	14
Nepal	—
Guinea	—
Comoros	—
Average	37
3. Emergency projects (52 projects)	43
Overall	**54**

6. The project expenditures of each recipient United Nations organization, which are reported according to categories agreed by the United Nations Development Group (http://www.undg.org/docs/9442), show that implementation rates are lagging behind expectations and confirm concerns raised by key stakeholders of the Fund. The implementation rates, determined in terms of expenditure as a proportion of total amount transferred by country, reflect both the difficulty of operationalizing the Fund in post-conflict settings with weak local-level capacities and the effect of protracted country-level project vetting processes following the allocation of funds. In some cases, the rates may be misleading, as for Liberia, where several projects were approved only in the second half of 2008 and would not be expected to have a high implementation rate at year-end.

7. Estimates by the Peacebuilding Support Office for 2009 show significant increases in implementation rates, in part as a consequence of management efforts by the Office and by the recipient United Nations organizations. There is an increasing awareness and recognition that the Fund's performance should be measured not only by short-term implementation rates but also, and more importantly, by the longer-term success of the processes, capacity-building and broader national ownership it supports.

B. Mobilizing funding for peacebuilding

8. While the Fund's current funding position is solid, the global financial crisis may well have an adverse impact on future funding for peacebuilding and this has to be taken into account when Fund allocations are being programmed and when Fund-supported projects are looking for additional funding. In addition, the Peacebuilding Support Office will have to contemplate continuing funding for activities that were intended to be initiated by the Fund but then continued by donors and Governments. Early indications are that fund-raising is becoming more difficult.

9. The evaluations also indicated out that the Fund had yet to demonstrate its catalytic value in terms of attracting additional resources. While a number of activities have been able to attract additional donor or Government funding (see para. 26), some critical initiatives will have to be discontinued for lack of additional funding. The importance of building fund-raising and partnership strategies into project designs and of making that a condition for approval of funds has now been recognized and is being addressed with the support of the joint steering committees and the Peacebuilding Commission.

10. In this regard, the Peacebuilding Support Office also intends to collaborate more closely with other relevant funding instruments, such as the European Union's Instrument for Stability, the World Bank's State- and Peacebuilding Fund and the UNDP Thematic Trust Fund for Crisis Prevention and Recovery, to explore joint funding or follow-up funding opportunities.

11. One of the Peacebuilding Fund's unique advantages is its ability to fund critical activities in the area of security sector reform, which is typically an underfunded sector. While 86 per cent of the Fund's resources allocated to activities in 2007 and 2008 corresponded to official development assistance, the 14 per cent not under the heading of official development assistance went to support human rights training for military personnel, provision of equipment and improved housing to boost morale and improve relationships with civilians.

III. Achievements by country and priority area

A. Country progress reports

Countries before the Peacebuilding Commission (window I)

Burundi

12. Peacebuilding in Burundi entered a new phase in the country's efforts to emerge from a long civil war, following the 4 December 2008 agreement that had facilitated the transformation of the Parti pour la libération du peuple hutu-Forces nationales de libération (Palipehutu-FNL) into a political party. The creation of political momentum conducive to effective disarmament, demobilization and reintegration of this last armed group in Burundi was achieved with additional and timely assistance provided by the Peacebuilding Support Office. Of the 18 projects approved, 4 had been completed and the rest were expected to be closed by the end of December 2009, with the exception of one recently initiated project on socio-economic reintegration and community recovery of populations affected by war in three provinces. During the past 12 months, implementation improved and the delivery rate against the total budget of $35 million reached 75 per cent at the end of the first half of 2009. The improvements in monitoring and evaluation capacity during 2009 enabled both the steering committee and the implementing agencies to undertake more rigorous tracking of project progress. Some peacebuilding initiatives combining Fund projects and other means of intervention were beginning to show some tangible results in the areas of administrative and political governance, justice and human rights, the fight against corruption, security sector reform and the empowerment of women and civil society. The ongoing national dialogue process was expected to help restore social trust after decades of violence.

13. The Peacebuilding Support Office quickly released additional emergency funding for the demobilization and reintegration of FNL combatants in Burundi, resulting in the registration of more than 5,000 of the 11,000 adults associated with FNL, they were issued return kits, paid the first instalment of return assistance and transported to their home communities. Support under the Fund complemented other efforts that enabled some 3,500 FNL elements to be assimilated into the military and police.

Central African Republic

14. Peacebuilding in the Central African Republic continued to face challenges in building on the momentum created by the national political dialogue in late 2008, including the formation of a broad-based government and the establishment of a disarmament, demobilization and reintegration steering committee to consolidate the momentum for peace; and in overcoming threats posed by sporadic rebel violence in the north. Pending the start-up of demobilization activities, critical preparatory work advanced and provisional lists of potential ex-combatants, were submitted to the United Nations. Initial funding of $4 million (40 per cent of the Fund envelope) was used to start up that exercise, while additional appeals were made to the wider international community for further DDR support for disarmament, demobilization and reintegration, which was a critical precondition for improved security and peaceful elections. The priority plan funded 11 projects in the following areas: (a) support for the demobilization and reintegration process (60 per cent of the total

envelope); (b) governance and rule of law, primarily to support human rights and women's networks (14 per cent); and (c) revitalization of communities affected by conflict (26 per cent). Work on the United Nations integrated strategic framework was completed in May 2009, enabling the initiation of discussions for a second tranche under the Fund.

Guinea-Bissau

15. The period under review was characterized by significant political and military tension in Guinea-Bissau. The prevailing political situation had had a negative impact on peacebuilding efforts. As a result, three ongoing Peacebuilding Fund projects experienced disruptions. Notwithstanding those events, the meetings of the Peacebuilding Commission country-specific configuration on Guinea-Bissau coupled with numerous United Nations country support visits enabled continuous engagement and tracking of project progress. A professional training and employment programme would provide training for 500 youths. To combat drug trafficking and organized crime, the Fund has provided support to enhance both police capacity and prison security. Public tenders for the rehabilitation of 10 military barracks were scheduled for July 2009.

Sierra Leone

16. In March 2009, Sierra Leone saw the worst political violence since the end of the civil war in 2002. An inter-party dialogue facilitated by the United Nations Integrated Peacebuilding Office in Sierra Leone (UNIPSIL) brought the two main parties to the negotiating table and the resulting agreements were laid down in a joint communiqué. Quick application of contingency funds provided for (a) setting up a commission of inquiry to investigate allegations of sexual violence during the disturbances and (b) rehabilitation of the damaged offices of one of the political parties. In support of the joint communiqué, two projects to be funded under the Fund's emergency facility were prepared by UNIPSIL and approved by the Peacebuilding Support Office in May 2009. These interventions are aimed at improving police control and techniques for riot control and fostering national political dialogue and reconciliation. Delivery of projects overall improved steadily over the past year. Notable results included improved outreach of the National Human Rights Commission, increased awareness of the recently passed Gender and Child Rights Act and a sharp reduction in the backlog of detainees awaiting trial (90 per cent of 600 cases cleared). At the request of the Government and following endorsement by country-level stakeholders and the Peacebuilding Commission, the priority plan was revised in August 2008 in order to address critical energy shortfalls in the country. To assess and better guide the implementation of Fund activities in the country, a midterm review was conducted by independent consultants in April 2009, creating an opportunity for the Government, the United Nations and civil society to improve performance prior to the final series of approvals. In addition to identifying improvements essential for the creation of a joint United Nations/UNDP vision, the evaluation highlighted the need for greater advocacy and effective management of stakeholder expectations regarding Fund-supported projects.

Countries declared eligible for funding by the Secretary-General (window II)

Comoros

17. The commitment of the Comoros to peacebuilding was evidenced by the launch in March 2009 of the "inter-Comorian dialogue", in advance of the operationalization of the Fund-supported priority plan (envelope of $9 million). The initial phase of the dialogue generated some consensus on governance, functioning of State institutions, harmonization of presidential mandates, and rationalization of the election timetable. But it also revealed deep divergences on aspects related to the procedures to be followed to implement necessary reforms. The United Nations country team devoted attention to building structures and capacities for the joint implementation support capacity and national institutions essential for rapid, effective and transparent implementation. For its part, the Government set up the Commission for National Solidarity to guide the peacebuilding process. The priority plan identified four priority areas of intervention, which were being translated into specific projects by recipient United Nations organizations together with national counterparts. Of these, a project to strengthen national peacebuilding and project management capacities had already been approved.

Côte d'Ivoire

18. While the security and political climate in Côte d'Ivoire continued to be relatively stable and calm, the political situation remained somewhat fragile, especially as elections were further postponed to late 2009. The Fund was providing support through a priority plan of $5 million comprising the support for the facilitation of the "inter-Ivorian direct dialogue" (follow-up to the emergency funding) within the framework of the Ouagadougou Political Agreement and assistance to Operation 1,000 Microprojects, a quick peace dividends project to support reintegration and rehabilitation of ex-combatants, former militia members and youth at risk in the interim period between the signing of the Agreement and the pending elections. By June 2009, at least 70 per cent of the allocation had been disbursed in support of a total of 3,407 participants, increasingly including women (18.3 per cent) and members of communities affected by conflict; that total broke down as follows: 1,099 ex-combatants, 757 former militia members, 847 youth at risk and 704 community members. Plans were under way to evaluate this project and explore ways to strengthen the sustainability of these initiatives and identify follow-up funding. Sustainability of this effort remained a major challenge.

Democratic Republic of Congo

19. The Secretary-General declared the Democratic Republic of the Congo eligible to receive Peacebuilding Fund funding on 17 June 2009. Eligibility was justified by the situation in the eastern portion of the country, where elements of fragility and insecurity remained but significant opportunities for a durable peace were also present, mainly with the signing of accords and agreements between the Government and armed groups. Within the context of United Nations support to help the country sustain this positive momentum, the Peacebuilding Support Office will work with country-level partners to jointly identify priority support areas.

Guinea

20. Political instability in Guinea reached a peak in December 2008 following the death of the President and the subsequent takeover of power by a military junta. That development coincided with the finalization of the Peacebuilding Fund priority plan, which was deferred while the United Nations country team reassessed the situation and emerging peacebuilding priorities. The priority plan was approved in February 2009 with an initial funding envelope set at $6 million, aimed at ensuring inclusive and sustainable national dialogue, supporting human rights promotion, civic education and reform of the security sector, and strengthening the contribution of women and youth to conflict prevention and peacebuilding. A joint start-up mission of the Peacebuilding Support Office, the Department of Political Affairs and the United Nations Development Programme Bureau for Crisis Prevention and Recovery was fielded to Guinea in June 2009 and recommended approval of projects urgently to ensure that they would contribute positively to the transition process in the lead-up to the legislative and presidential elections scheduled for late 2009.

Liberia

21. As of May 2009, a total of 20 Peacebuilding Fund projects had been approved for Liberia, fully committing the allocated envelope of $15 million. The pilot project funded from the emergency funding window, for alternative reconciliation approaches in Nimba County, was independently evaluated in September 2008, with positive findings that enabled national-level roll-out of the pilot programme. Liberia was the first Peacebuilding Fund recipient country to establish a dedicated national peacebuilding office, located in the Ministry of Internal Affairs, the office is intended to build national conflict sensitivity and peacebuilding capacity and also carries the task of coordinating and managing the Fund's activities in the country. The action agenda of the office focuses on training in conflict sensitivity, fostering community peacebuilding networks and strengthening results-oriented monitoring and evaluation. Other Fund-supported activities charting new ground included the youth peace ambassadors, the Tumutu comprehensive disarmament, demobilization and reintegration approach and the partnership with the Ministry of Justice to establish a gender-based violence unit to deal primarily and decisively with the abuse of women, which started during the conflict era and continues with impunity in the post-conflict period.

Nepal

22. The Peacebuilding Support Office approved the Peacebuilding Fund priority plan for Nepal and committed $10 million to it in September 2008. The resources are channelled through the United Nations Peace Fund for Nepal and have helped to catalyse additional funding for peacebuilding. Projects have been approved under three priority areas of the Fund: strengthening of State capacity for sustaining peace, community recovery, and conflict prevention and reconciliation. Assistance under the Fund has enabled the United Nations country team to focus more on key structural dimensions of the conflict, such as creating new employment opportunities for a large and politically vulnerable young population.

3. Emergency funding (window III)

23. Under the Fund's initial terms of reference, emergency funding was provided for 9 one-off projects of less than $1 million. This facility has proved to be a flexible and responsive instrument that enables the Secretary-General to respond quickly to imminent threats to peace, while demonstrating the Fund's risk-taking capabilities. Nearly all the emergency projects, however, experienced implementation delays due to local circumstances that affected quick delivery. Project extension requests or requests for additional funding were received from Côte d'Ivoire (political dialogue facilitation required additional assistance following postponement of elections), the Central African Republic (inclusive political dialogue needed additional funding to conclude the process), Haiti (security reforms were delayed by pending relocation of affected communities), Kenya (community-based reconciliation required additional time and resources to scale up the process) and Burundi (political dialogue required additional funding to respond to the December 2008 agreement).

24. During the reporting period, four new emergency projects were approved, for Burundi (1 project), Sierra Leone (2) and Timor-Leste (1).

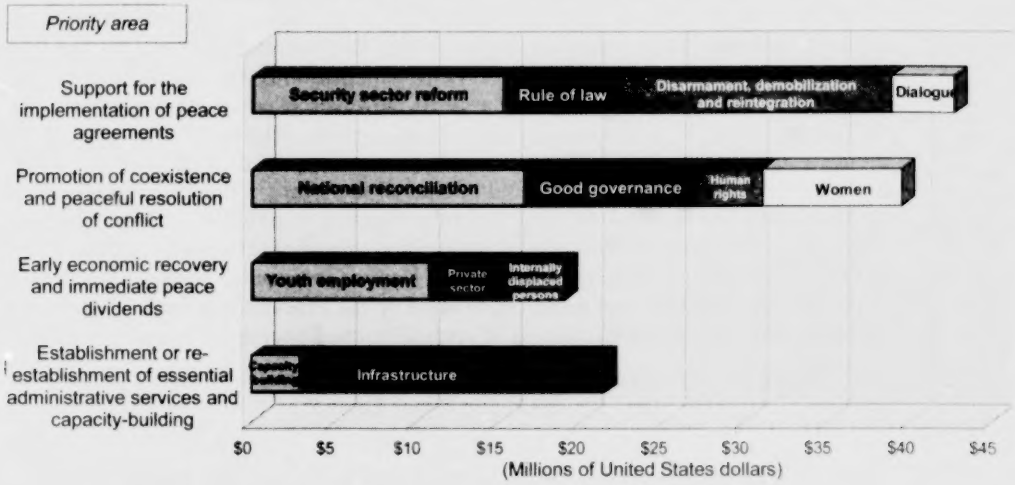
B. Key results obtained in the four priority areas of the Fund

25. Between July 2008 and June 2009, three additional priority plans and 40 new projects were approved, bringing the number of countries receiving Peacebuilding Fund support to 12, with 89 projects. With this doubling of the Fund's portfolio, the distribution of projects over the four priority areas identified for the Fund in the revised terms of reference (A/63/818, annex), remained largely the same. A portion of 35 per cent was allocated to support implementation of peace agreements, 33 per cent to the promotion of coexistence and peaceful resolution of conflict, 15 per cent to early economic recovery and peace dividends and 18 per cent to rebuilding infrastructure and technical capacity.

26. As of June 2009, 12 projects had been completed and 26 new projects had been started in the previous four months. An initial attempt to assess the catalytic effect of the Fund on the basis of recipient organizations' reports to 31 December 2008 revealed that 21 of the 51 projects in the Fund's overall portfolio had reported additional mobilized resources totalling $21 million, equivalent to 24 per cent of the overall approved budget of the Fund at that time.

27. A results-oriented analysis of the 10 priority plans and 89 approved projects identified 13 outcomes that reflect the intended results of each of the four priority areas of the Fund. In the present section, an overview of the key results achieved in 2008/09 is presented, highlighting the trends and critical challenges encountered (see figure III).

Figure III
Fund-approved project budget by priority area and outcomes



1. Support for the implementation of peace agreements

28. The Fund is largely intended to be used in the immediate aftermath of conflict when a serious risk of relapse into violent conflict exists. One third of the Fund's resources are directed at country-level support for the implementation of peace agreements, including immediate priorities in strengthening security and the rule of law. Political dialogue to maintain progress with agreements is proving to be an important aspect that the Fund can support, along with initial inputs into comprehensive disarmament, demobilization and reintegration programmes to assist the effective reintegration of ex-combatants.

29. A total of nine projects relating to security sector reform (with funding of $15 million) have been completed or are ongoing, concentrated largely in countries on the agenda of the Peacebuilding Commission, along with eight projects for the reintegration of ex-combatants ($16 million). The Fund's engagement in the areas of rule of law and of disarmament, demobilization and reintegration is intensifying, as both have been adopted as thematic priority areas in most Fund-supported countries. Fostering an independent judiciary with efficient legal procedures to reduce backlogs of court cases and pretrial detention periods is another priority area, with six projects valued at $7 million. In Côte d'Ivoire, a modest Peacebuilding Fund country programme of $5 million includes an element of support for the facilitation of political dialogue with third-party involvement; political dialogue is also supported by three emergency grants under the Fund.

30. Recipient United Nations have organizations reported that, although security and justice sector capacity was substantially strengthened in 2008, there were delays in project delivery due to an often-unpredictable institutional and security context. An example of this occurred in Burundi when violent confrontations with armed forces took place in 2008; the situation was resolved only when a disarmament, demobilization and reintegration agreement was reached later in the year. Other identified challenges included inadequate project staffing, meeting of international

legal standards by post-conflict countries and implementation delays owing to national elections.

2. Promotion of coexistence and peaceful resolution of conflict

31. In order to prevent conflict from reigniting, peacebuilding programme design needs to address the causes of the conflict as well as changed power relations in the immediate post-conflict period. Nearly 50 per cent of Fund-supported projects seek to build national and local capacity to better understand root causes and conflict drivers and to identify ways to promote peaceful coexistence.

32. A total of 17 projects have focused on national reconciliation, accounting for $17.9 million. A review of the Fund commissioned in 2009 on behalf of its five major donors identified this as the main underfunded peacebuilding area (www.unpbf.org/docs/PBF_Review.pdf). Common approaches include launching of land dispute settlement commissions; conducting of peace education, mediation and dialogue training; and lending of support for independent media and for truth and reconciliation commissions. Thirteen governance projects ($11.3 million) have emphasized improving leadership and the relationship between authorities and civilians, funding activities such as anti-corruption commissions and processes for free and fair elections. Through nine projects totalling $8.5 million, the Fund also prioritizes equal representation of women in peace processes, protection from gender-based violence and psychosocial and economic assistance for women affected by conflict. The number of projects addressing specific hardships faced by women in post-conflict countries increased dramatically from one to eight over the past year. Four projects totalling $4 million have supported awareness and access to human rights for the population at large, such as through the establishment of national human rights commissions and the transformation of indigenous legal practices.

33. Recipient United Nations organizations have underlined the successful support provided to national election commissions in Guinea-Bissau and Sierra Leone, filling a crucial funding gap and leading to orderly and calm elections. A pilot community reconciliation project in Liberia's volatile Nimba County succeeded in developing a model for conflict resolution, including mechanisms for settling property disputes. The success of this project in fostering reconciliation and post-conflict reintegration led to the roll-out of a similar approach at the national level. Challenges to such approaches include political risks affecting the performance of reconciliation and governance projects; limited political will and national ownership, along with difficulties in national legislatures; and inflexible positions of some key stakeholders. Such challenges attest to the fact that sustainable peacebuilding is not a short-term endeavour.

3. Early economic recovery and immediate peace dividends

34. A major threat to the stability of many post-conflict societies is the lack of economic opportunity, which results in massive and pervasive underemployment and unemployment, with youth being especially at risk. At the same time, young people are a country's most valuable asset for the future. Hence, the Fund is supporting six large-scale youth empowerment and employment projects, valued at $11 million. Eight projects ($7 million) support the reintegration of returning internally displaced persons and refugees, as well as reviving agricultural production and providing basic services as immediate peace dividends to the population at large.

35. Youth empowerment and employment figure high in the priority plans for Guinea-Bissau and Sierra Leone. Short-term labour projects are envisioned, to be complemented by medium- and longer-term employment initiatives by the Government and development partners for training and employing young people. The implementation of such programmes, however, is proving challenging, owing to limitations in local capacity and a lack of political consensus over who should benefit from the activities. Recipient United Nations organizations have furthermore acknowledged the need for a stronger gender focus so as to address significant disparities in literacy and economic opportunities.

36. Six projects were recently initiated to assist internally displaced persons and refugees in returning to and reintegrating in communities and reviving agricultural production. This is a vast increase over only two approvals during the previous year. A good example can be drawn from the Central African Republic, which decided to prioritize the urgent reintegration of ex-combatants and affected populations over investments in security and judiciary reform, deciding that the latter could be funded from subsequent Fund allocations to the country.

4. Establishment or re-establishment of essential administrative services and capacity-building

37. Eight projects ($21 million) have supported authorities in post-conflict settings to rapidly restore essential administrative services and boost related institutional and technical capacity for service delivery. Outcomes have included improved infrastructure (such as electricity, sewerage and water supply) and institutions that are able to function better, including through the construction of barracks, courthouses and prisons.[1]

38. To date, one project, building 32 courthouses in rural provinces of Burundi, has been completed. This boosted rural employment and improved access to the judiciary for local populations. Overall, Fund allocations to infrastructure increased 50 per cent in 2008, largely due to a one-time gap-filling allocation to maintain electricity supply in key regions of Sierra Leone as articulated in the national Integrated Strategic Framework endorsed by the Peacebuilding Commission's country-specific configuration.

C. Lessons learned

39. Countries emerging from conflict typically have many needs, all of which seem to be priorities. Governments and partners are pressured to deliver peace dividends immediately at a time when capacities and resources are very limited. This largely characterizes the environment in which the Peacebuilding Fund has operated and continues to operate. Emerging lessons and experiences noted in the previous report remain for the most part pertinent (A/63/218-S/2008/522). Progress was made, however, in the present reporting period in defining responses, as more lessons, including those indicated below, continued to be garnered from recent experiences.

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[1] Projects combining technical and human capacity-building aimed at an explicit peacebuilding outcome are listed under the first priority area (support for implementation of peace agreements) or under the second priority area (peaceful conflict resolution).

40. *The start-up phase of Peacebuilding Fund activities in a country is one of the most critical and labour-intensive periods for the United Nations country team and its national partners, yet there is little spare capacity to meet the new demands entailed in start-up. It is therefore absolutely essential to ensure greater focus on start-up support to address weak planning, programming and implementation capacity.* Given the considerable lag between the declaration of eligibility for support under the Fund and the approval of the first projects, more upfront support from the Peacebuilding Support Office and the UNDP Multi-donor Trust Fund Office, with key partners such as the UNDP Bureau for Crisis Prevention and Recovery, the Department of Political Affairs and the Department of Peacekeeping Operations, is warranted for the development of priority plans and initial projects. This should be coupled with the development of training curricula and partnerships to strengthen capacity on the ground in the initial months.

41. *Synergy between the Peacebuilding Fund and the Peacebuilding Commission has improved but there is scope for better calibrating the engagement between the Fund and the Commission.* Members of the Peacebuilding Commission could play a greater role in helping to identify and promote the engagement of bilateral and multilateral donors. This is particularly important during the later stages of implementation with a view to phasing out the Fund's involvement to make way for more substantial and sustainable resource bases, such as country-level multi-donor trust funds. The Commission's influence could also be tapped to support policy choices and prioritization in national budgets to favour actions that serve to consolidate a participative peace. The Fund's revised terms of reference underline synergy and closer collaboration in countries before the Commission. Innovative and successful approaches supported by the Fund could provide a wealth of experience for the Commission's Working Group on Lessons Learned and enrich the country debate.

42. *More attention needs to be given to the critical role of the joint steering committees and to ensuring that they are able to play their role to the fullest.* National joint steering committees, with diverse membership and co-chaired by the senior United Nations official and a senior Government counterpart in the country, are a fundamental feature of the Fund designed to promote national ownership and capacity. The role of the joint steering committees needs to be further enhanced, for example in the area of results-oriented planning, monitoring and evaluation.

43. *Sound and sustained peacebuilding needs effective partnerships at all levels.* More needs to be done to ensure effective partnership at all levels. While this starts at the country level, where partnerships between the Government, civil society, donors, the private sector and the United Nations are crucial to the success of peacebuilding, it is also played out at the global level, where improved synergy between the Peacebuilding Commission and the Peacebuilding Fund can lead to a greater catalytic impact of the Fund. The success of Fund-supported activities depends, to a large extent, on good collaboration and cooperation between the Peacebuilding Support Office and the rest of the United Nations system, especially the agencies, funds and programmes. The recently established inter-agency task force is expected to guide and ensure broad support and engagement of the United Nations system in the review and enhancement of the Fund's guidelines in line with its revised terms of reference.

and funding disbursements. On the advice of Member States, the revised terms of reference transform the Fund's three-window architecture into two facilities: (a) the Immediate Response Facility (an expanded and more agile emergency window); and (b) the Peacebuilding and Recovery Facility (merging windows I and II). In its resolution 63/282, the General Assembly welcomed the revised terms of reference, thus opening the way for improving the Fund's performance through greater operational responsiveness, increased effectiveness and efficiency and enhanced synergy between the Fund and the Peacebuilding Commission.

C. Structural and management reforms

47. The evaluations also informed a series of structural and management improvements. The Peacebuilding Support Office's management response built on many actions already under way, and progress has been made regarding the recruitment of additional staff to fill critical capacity gaps hand in hand with increased partnership with United Nations agencies and departments and internal task-sharing within the Office.

48. An inter-agency task force has been formed to draw upon United Nations system expertise and provide practical inputs for guidelines on field programming and implementation of the Fund, and a series of meetings to share ideas and lessons on peacebuilding support is ongoing. Revised guidelines will better articulate the means of pursuing the Fund's core objectives and define the new structural arrangements as approved in the revised terms of reference. Clarifying the various roles and responsibilities at all levels, in particular in decision-making, reporting and accountability, is a paramount objective, including synchronizing arrangements with the UNDP Multi-donor Trust Fund Office as the Fund administrator. Initial work has also commenced with the United Nations and external partners, such as academic institutions, for stepping up related peacebuilding training, awareness-raising and field support, all with an emphasis on drawing upon and bolstering the Fund's effectiveness.

D. Focus on results and learning from the field

49. Results-based monitoring and reporting is a priority for the Fund in order to follow project progress, document effective and catalytic strategies and share lessons with key actors across Fund-supported countries. Responsibility for monitoring and reporting at the project level rests with the recipient United Nations organization, while the joint steering committee and the Fund's country-level secretariats monitor overall progress of the country programme. Quarterly project updates are compiled to allow the Peacebuilding Support Office, the UNDP Multi-donor Trust Fund Office, country-level joint steering committees and recipient organizations (at their respective headquarters) to monitor progress and results. Monitoring support missions were fielded to West Africa and staff exchanges were initiated between Fund-supported countries in Central and West Africa. In collaboration with academic institutions, a pilot monitoring and evaluation training exercise has been developed for the Fund's secretariats and joint steering committees, and is expected to lead to inputs for Fund-specific training modules.

50. The first two countries supported by the Peacebuilding Fund, Burundi and Sierra Leone, commissioned midterm reviews in 2009 to assess the relevance, effectiveness and efficiency of the projects and to provide a set of practical recommendations to aid in successful project completion and in the phasing out of Fund activities in those countries. In Sierra Leone, the joint review was initiated by the Government, UNDP (the main recipient United Nations organization) and UNIPSIL, and its conclusions indicated improved performance and delivery rates following a slow start-up. The review highlighted the need to strengthen project management, to ensure effective monitoring and reporting practices, to institute a communication strategy for wide dissemination of results and to enhance the Fund's catalytic effect. The midterm review in Burundi is scheduled for August 2009.

V. Management and oversight of the Fund

Activities of the Peacebuilding Support Office

51. The consideration and approval of new project requests slowed down during the second half of 2008 and in early 2009 in order to allow for the results of the various evaluation exercises and the review of the terms of reference to be reflected in an improved management and guidance system. In response to the evaluations, the Peacebuilding Support Office embarked on management improvements in the following four priority areas: (a) strengthening global management: review of existing accountability mechanisms and decision-making processes; review and staffing up of the Fund's global office to meet programmatic fund management needs and review of the division of labour with the UNDP Multi-donor Trust Fund Office; (b) improving guidelines and training: update of guidelines to reflect the new terms of reference and development of a training package for operational and programmatic issues; (c) strengthening support for Fund-supported countries: stronger field management structures; increased Peacebuilding Support Office engagement during the start-up phase; organization of an annual training event for Fund-supported countries and increased monitoring visits to those countries; and (d) improving communications and outreach: development of a global and country-level communications strategy and regular progress reporting to both the Fund and the Fund's donor group. The Peacebuilding Support Office, in collaboration with the UNDP Multi-donor Trust Fund Office, UNDP and the Department of Political Affairs, fielded support and start-up missions to Burundi, the Central African Republic, the Comoros, Côte d'Ivoire, Guinea, Guinea-Bissau, Kenya, Liberia, Nepal and Sierra Leone.

Activities of the Advisory Group

52. Pursuant to the Fund's terms of reference, the Secretary-General appointed an independent advisory group to provide advice and oversight on the speed and appropriateness of the fund allocations and to examine performance and financial reports on its use to ensure accountability, effectiveness and transparency. The Peacebuilding Fund Advisory Group met in October 2008 and May 2009 to discuss the OIOS evaluation of the Fund, advise on the revision of the Fund's terms of reference and review the Fund's guidelines and procedures. The Advisory Group furthermore revisited and clarified its own terms of reference, in particular with regard to its oversight function vis-à-vis the Fund, and agreed to concentrate on three critical oversight tasks: (a) review of the policy on and speed of Peacebuilding

Fund allocations; (b) review of the performance of the Fund; and (c) identification of best practices and lessons learned in peacebuilding. The Advisory Group will participate actively in the reformulating of the guidelines and operational policies required to make the revised terms of reference operational.

VI. Partnership-building and collaboration with other funds

53. Some of the difficulties experienced by recipient United Nations organizations in implementing Fund activities reflect systemic constraints that cannot be fully resolved within the context of the Fund. Most recipient organizations do not have implementation modalities tailored to countries emerging from conflict and this puts limitations on their response capacity. The Peacebuilding Support Office has been working with its partners to identify solutions to some of those limitations. The Office has also increased its engagement and partnerships with other multi-donor trust funds, e.g. the Central Emergency Response Fund, the United Nations Trust Fund for Human Security and the UNDP Thematic Trust Fund for Crisis Prevention and Recovery; and further consultation meetings are planned in the context of revising the Fund's guidelines through the sharing of experiences, methodologies and lessons learned. In addition, the Office has shared its views on funding for peacebuilding in the context of the work of the Organization for Economic Cooperation and Development's International Network on Conflict and Fragility and will continue to do so with interested partners. Collaborative opportunities with specialized agencies, funds and programmes of the United Nations have recently been stepped up, with the Development Operations Coordination Office and the United Nations System Staff College harmonizing fund application within common country planning processes and supporting conflict prevention principles embedded in United Nations responses to national recovery and development plans.

VII. Conclusions and the way ahead

54. The Fund has demonstrated its potential to fill a critical niche in the area of peacebuilding. While much remains to be done, evaluations have documented early successes and innovations that underline the importance and relevance of this new funding instrument. The teething problems faced by the Fund are not unusual for a new fund. Much has been learned during the initial two years of full operation and this must now inform a concerted effort by the Peacebuilding Support Office, recipient United Nations organizations and Member States in order to fully address the shortcomings identified in the external evaluations.

55. The Fund's revised terms of reference provide an effective platform for improving its performance and application. Applying the new terms of reference while addressing the challenges identified in the evaluations should enable the Fund to serve as a fast-disbursing, agile, responsive and risk-taking peacebuilding instrument that can be fully utilized in the spirit of the Secretary-General's report on peacebuilding in the immediate aftermath of conflict.

56. The way ahead includes the establishment of full fund management capacity within the Peacebuilding Support Office in order to improve global and country-level support, in particular during the critical start-up phase of Fund activities in each country; the establishment of a robust accountability framework so as to

respond to the information and oversight requirements of the Fund's donors; improved synergy with the Peacebuilding Commission, in particular regarding countries on its agenda and for better capturing the lessons learned by activities through the Working Group on Lessons Learned; using the Fund to improve United Nations cooperation and collaboration on peacebuilding so as to strengthen the system's ability to support countries emerging from conflict; and expanding the Fund's operations to strategically assist more countries requiring urgent peacebuilding support.

Annex I

Peacebuilding Fund: cumulative pledges, commitments and deposits as at 30 June 2008

Donor	Pledges[a] (donor currency)	Commitments[b] (United States dollars)	Deposits (United States dollars)
Australia	$A 3 000 000	2 414 400	2 414 400
Austria	€1 500 000	2 108 550	2 108 550
Bahrain	US$ 10 000	10 000	10 000
Belgium	€2 477 651	3 647 407	3 647 407
Brazil	US$ 590 000	590 000	590 000
Canada	$Can 20 000 000	18 765 294	18 765 294
Chile	US$ 161 449	161 449	161 449
China	US$ 3 000 000	3 000 000	2 000 000
Croatia	US$ 30 000	30 000	63 000
Cyprus	US$ 20 000	20 000	40 000
Czech Republic	US$ 346 682	346 682	346 682
Denmark	DKr 50 000 000	8 878 509	8 878 509
Egypt	US$ 45 000	45 000	45 000
Finland	€4 800 000	6 543 638	6 543 638
France	€1 000 000	1 359 100	2 881 600
Germany	US$ 11 000 000	11 000 000	11 000 000
Iceland	US$ 1 000 000	1 000 000	1 000 000
India	US$ 2 000 000	2 000 000	2 000 000
Indonesia	US$ 40 000	40 000	40 000
Ireland	€10 000 000	12 600 000	12 600 000
Italy	€4 000 000	5 766 562	5 766 562
Japan	US$ 20 000 000	20 000 000	20 000 000
Kuwait	US$ 500 000	500 000	500 000
Libyan Arab Jamahiriya	US$ 50 000	50 000	50 000
Luxembourg	€916 927	1 256 551	1 256 551
Mexico	US$ 100 000	100 000	100 000
Morocco	US$ 5 000	5 000	5 000
Netherlands	US$ 46 456 518	46 456 518	46 456 518
Norway	NKr 200 000 000	32 124 458	32 124 458
Poland	US$ 100 000	100 000	100 000
Portugal	US$ 1 000 000	1 000 000	1 000 000
Qatar	US$ 200 000	200 000	200 000
Republic of Korea	US$ 3 000 000	3 000 000	3 000 000
Romania	€100 000	147 210	147 210
Russian Federation	US$ —	—	2 000 000

Donor	*Pledges*[a] *(donor currency)*	*Commitments*[b] *(United States dollars)*	*Deposits*
Saudi Arabia	US$ —	—	500 000
Slovenia	US$ 20 000	20 000	20 000
Spain	€8 900 000	12 001 999	12 001 999
Sweden	SKr 400 000 000	54 555 181	54 555 181
Thailand	US$ 10 000	10 000	10 000
Turkey	US$ 1 200 000	1 200 000	1 200 000
United Arab Emirates	US$ —	—	500 000
United Kingdom	£30 000 000	52 960 200	52 960 200
Organization of the Islamic Conference	US$ 20 000	20 000	20 000
Private donors	US$ 18 933	18 933	18 933
Total		**306 052 641**	**309 628 141**

Notes

[a] Pledges: voluntary contributions by donors pending formalization of letter of agreement.

[b] Commitments: contribution as per signed letter of agreement. United States dollar equivalents of commitments are estimated at United Nations operational exchange rates and are for indicative purposes only.

Annex II

Peacebuilding Fund projects approved in 2008/09

A. Burundi

Burundi Peacebuilding Fund Steering Committee approval date	*Burundi Peacebuilding Fund priority area*	*Recipient United Nations organization*	*Project title*	*Approved budget (in United States dollars)*
3 November 2008	Human rights	UNDP	Reduction of violence by relaunching the national programme for the enforcement of decisions rendered by courts; and capacity-building for judicial institutions	158 520
18 November 2008	Democratic governance	UNDP	Initiation of dialogue among national partners	148 000
18 November 2008	Democratic governance	UNIFEM	Strengthening the role of women in the process of community reconstruction	105 193
24 November 2008	Democratic governance	UNFPA	Youth participation in social cohesion	200 005
24 November 2008	Security sector	UNDP	Rehabilitation of the barracks of the National Defence Forces to reduce their impact on the population	229 150
Total approved				**840 868**

B. Central African Republic

Central African Republic Peacebuilding Fund Steering Committee approval date	*Central African Republic Peacebuilding Fund priority area*	*Recipient United Nations organization*	*Project title*	*Approved budget (in United States dollars)*
3 December 2008	Security sector reform	UNHCR	Reintegration of young people through employment	500 000
1 April 2008	Security sector reform	UNDP	Support for the start of the disarmament, demobilization and reintegration programme	3 955 710
12 November 2008	Security sector reform	UNICEF	Prevention of recruitment, demobilization and reintegration of children associated with armed forces and groups and other children and women	2 000 000
12 November 2008	Communities affected by conflict	FAO	Revival of agro-pastoral activities in Paoua, Bozoum and Ndelé	300 000
12 November 2008	Communities affected by conflict	FAO	Socio-economic recovery for communities affected by the conflict	300 000
12 November 2008	Communities affected by conflict	UNDP	Apprenticeship training for young people affected by the conflict	450 000
12 November 2008	Communities affected by conflict	UNESCO	Community radios for social cohesion throughout the country	324 000
12 November 2008	Communities affected by conflict	UNESCO	Vocational training centres in Bozoum, Bossangoa and Bria	355 000

Central African Republic Peacebuilding Fund Steering Committee approval date	*Central African Republic Peacebuilding Fund priority area*	*Recipient United Nations organization*	*Project title*	*Approved by (in United S dol*
12 November 2008	Communities affected by conflict	UNESCO	Expression and reconciliation	371
12 November 2008	Governance and rule of law	UNFPA	Empowerment of women affected by the conflict for community reconstruction	686
12 November 2008	Governance and rule of law	UNDP	Network of women leaders for women's rights	390
3 December 2008	Governance and rule of law	UNHCR	Training for women in human rights in Ouham-Pendé and Bamingui-Bangoran	368
Total approved				**16 000**

C. Côte d'Ivoire

Côte d'Ivoire Peacebuilding Fund Steering Committee approval date	*Côte d'Ivoire Peacebuilding Fund priority area*	*Recipient United Nations organization*	*Project title*	*Approved by (in United do*
12 June 2008	Support for the reintegration of ex-combatants, former militia members and youth at risk	UNDP	1,000 micro-projects for reintegration of ex-combatants and youth	4 000
12 June 2008	Support to the Ouagadougou Political Agreement	UNDP	Supporting implementation of Ouagadougou "direct dialogue"	1 000
Total approved				**5 000**

D. Liberia

Liberia Peacebuilding Fund Steering Committee approval date	*Liberia Peacebuilding Fund priority area*	*Recipient United Nations organization*	*Project title*	*Approved (in United d*
25 September 2008	Fostering national reconciliation and conflict management	UNHCR	Community empowerment: peace, human rights and civic partnerships	93
17 October 2008	Fostering national reconciliation and conflict management	UNESCO	Peace, human rights and citizenship schooling	90
22 December 2008	Fostering national reconciliation and conflict management	UNDP	Volunteers for peace	45
22 March 2008	Fostering national reconciliation and conflict management	UNDP	Truth and Reconciliation Commission final initiative: consultations and national conference	35

Liberia Peacebuilding Fund Steering Committee approval date	*Liberia Peacebuilding Fund priority area*	*Recipient United Nations organization*	*Project title*	*Approved budget (in United States dollars)*
22 March 2008	Fostering national reconciliation and conflict management	UNDP	Strengthening Government capacity to consolidate peace	600 000
22 March 2008	Fostering national reconciliation and conflict management	UNICEF	Youth empowerment and peace promotion	1 000 000
22 March 2008	Fostering national reconciliation and conflict management	UNOPS	Platform for dialogue and peace	1 000 000
25 September 2008	Strengthening State capacity for peace consolidation	UNHCR	Strengthening the rule of law	1 167 610
29 September 2008	Strengthening State capacity for peace consolidation	UNDP	Government Peacebuilding Office	902 759
22 December 2008	Strengthening State capacity for peace consolidation	UNDP	Improving Ministry of Justice prosecution services	1 082 000
22 December 2008	Strengthening State capacity for peace consolidation	UNDP	Strengthened public defence	750 066
22 December 2008	Strengthening State capacity for peace consolidation	United Nations Human Settlements Programme (UN-Habitat)	Support to the Land Commission	750 000
22 December 2008	Strengthening State capacity for peace consolidation	UNFPA	Strengthening prosecution of sexual and gender-based violence offences	792 857
22 March 2008	Strengthening State capacity for peace consolidation	UNDP	Enhancing police-community relations	750 000
25 September 2008	Critical interventions to promote peace and resolve conflict	UNDP	Tumutu Agricultural Training Programme	1 123 500
22 December 2008	Critical interventions to promote peace and resolve conflict	UNFPA	Psychosocial and community support	889 902
22 December 2008	Critical interventions to promote peace and resolve conflict	UNDP	Supporting the Anti-Corruption Commission	500 000
22 March 2008	Critical interventions to promote peace and resolve conflict	UNDP	Peaceful reintegration of high-risk youths through rural transport opportunities	250 000
Total approved				**14 191 904**

E. Sierra Leone

Sierra Leone Peacebuilding Fund Steering Committee approval date	*Sierra Leone Peacebuilding Fund priority area*	*Recipient United Nations organization*	*Project title*	*Approved budget (in United States dollars)*
15 July 2008	Democracy and good governance	UNDP	Support to the National Anti-Corruption Strategy secretariat	349 634
15 July 2008	Democracy and good governance	UNIFEM and UNICEF	Supporting gender capacity, women's rights and child protection	802 640
15 July 2008	Democracy and good governance	IOM	Supporting the reparations programme as a recommendation of the Truth and Reconciliation Commission	3 000 000
5 June 2009	Democracy and good governance	IOM	Supporting the parliament in representation, oversight and legislative enactment	700 000
5 June 2009	Democracy and good governance	IOM	Attitudinal and behavioural change	140 000
5 June 2009	Democracy and good governance	IOM	Strengthening the Civil Society Peacebuilding Engagement Committee and women's organizations in peace consolidation	140 000
5 June 2009	Democracy and good governance	IOM	Regional cooperation in the Mano River Union	130 000
15 July 2008	Justice and security	IOM	Reformation, justice and security for prison inmates	1 610 933
15 July 2008	Justice and security	UNDP	Support to the Office of National Security	1 576 538
3 June 2009	Justice and security	IOM	Promoting women's participation in the SSR process	45 261
15 July 2008	Energy	UNDP	Emergency support to the energy sector	9 000 000
15 July 2008	Capacity-building of public administration	UNDP	Supporting the Government's capacity for peacebuilding engagement	348 125
5 June 2009	Public administration	UNDP	Independent national public broadcasting service	850,000
Total approved				**18 629 531**

F. Peacebuilding Fund emergency projects

Head of Peacebuilding Support Office approval date	*Recipient United Nations organization*	*Project title*	*Approved budget (in United States dollars)*
11 May 2009	UNDP Burundi	Support to disarmament, demobilization and reintegration process, phase 1	1 000 000
29 May 2009	UNDP Timor-Leste[a]	Support to internally displaced persons and communities affected by internally displaced persons	543 284

Head of Peacebuilding Support Office approval date	*Recipient United Nations organization*	*Project title*	*Approved budget (in United States dollars)*
11 June 2009	UNDP Sierra Leone	Political reconciliation and restoration of democratic institutions	946 950
11 June 2009	UNDP Sierra Leone	Support to police's public order maintenance capacity	999 870
Total funds for emergency projects			**3 940 445**

[a] Funding in the amount of $450,341 jointly approved for IOM.